

**AGENDA
EUCLID CITY COUNCIL MEETING
MONDAY, JULY 17, 2023 AT 7:00 PM
EUCLID MUNICIPAL CENTER COUNCIL CHAMBER**

PERMISSIBLE PRELIMINARIES:

FIRST GAVEL

PLEDGE OF ALLEGIANCE

EUCLID CITY COUNCIL MEETING BUSINESS:

SECOND GAVEL

ROLL CALL OF MEMBERS

COMMUNICATIONS:

- TKD Hospitality dba Beach Club Bistro – 21936 Lakeshore, Euclid, 44123 – Ward 5

COUNCIL MINUTES:

- June 20, 2023

ADMINISTRATION REPORTS & COMMUNICATIONS:

COMMITTEE DOCUMENTATION:

- Board of Control – June 12th, 20th & 26th, and July 3, 2023

COMMITTEE OF THE WHOLE FOR LEGISLATIVE MATTERS ONLY

LEGISLATION

ACTION

PROPOSED

1. An emergency ordinance authorizing the Fire Chief of the City of Euclid to enter into a Fire Apparatus Maintenance Services Agreement with the Sutphen Corporation, 6540 Eiterman Road, Dublin, Ohio 43016, for onsite routine service work, preventative maintenance and repairs to the City of Euclid's fire apparatus for a period of 26 weeks. (Sponsored by Mayor Holzheimer Gail)

Ord.
(072-23)

Comment: This would approve a contract for onsite routine service work, preventative maintenance and repairs to the city's fire apparatus.

2. An ordinance authorizing the Director of Public Service to enter into an agreement with Air Force One, 9880 Sweet Valley Drive, Valley View, OH 44125, for the replacement of various HVAC and air handling equipment at the Lakefront Community Center not to exceed \$298,874.00 through OMNIA Partners purchasing organization. (Sponsored by Councilperson Wojtila by request of the Director of Public Service)

Ord.
(073-23)

Comment: This would approve the replacement of various HVAC and air handling equipment at the Lakefront Community Center.

3. An ordinance authorizing the sale of Permanent Parcel Number 646-33-019, vacant land at 1571 E 219th Street, from the Euclid Land Bank, to Ayesn Properties, LTD for the amount of One Dollar (\$1.00) as authorized by Ordinance Nos. 98-2010 and 101-2011. (Sponsored by the Planning and Zoning Commission)

Ord.
(074-23)

Comment: This would approve the sale of a landbank lot.

4. An ordinance authorizing the sale of Permanent Parcel Number 641-16-128, vacant land at 20150 Morris Avenue, from the Euclid Land Bank, to

Ord.
(075-23)

Deja Wilson for the amount of One Dollar (\$1.00) as authorized by Ordinance Nos. 98-2010 and 101-2011. (Sponsored by the Planning and Zoning Commission)

Comment: This would approve the sale of a landbank lot.

5. An ordinance authorizing the sale of Permanent Parcel Number 645-31-086, vacant land at 26901 Drakefield Avenue, from the Euclid Land Bank, to Elizabeth Carter for the amount of One Thousand Dollars (\$1,000.00) as authorized by Ordinance Nos. 98-2010 and 101-2011. (Sponsored by the Planning and Zoning Commission) Ord. (076-23)

Comment: This would approve the sale of a landbank lot.

6. An emergency ordinance authorizing the sale of Permanent Parcel Number 641-15-004, vacant residential dwelling and property at 19600 Naumann Avenue, from the Euclid Land Bank to MAGAAS LLC, for the amount of Twenty Thousand Dollars (\$20,000.00) as authorized by Ordinance Nos. 98-2010 and 101-2011. (Sponsored by the Planning and Zoning Commission) Ord. (077-23)

Comment: This would approve the sale of a vacant residential dwelling and property for rehabilitation.

First Reading

7. An ordinance to amend Section 1 of Ordinance No. 2812, as amended, and the map and map designations, which map and map designations, as amended, form a part of Ordinance No. 2812, as it relates to and designates, U8 Office Building and U4 Neighborhood Retail and Services use districts relative to said property. (Sponsored by the Planning and Zoning Commission) Ord. (078-23)

**Public Hearing
9/5/2023**

Comment: This would approve the rezoning of (4) parcels from U8 to U4 Use District.

8. An ordinance enacting Chapter 111 "Wage Theft and Payroll Fraud Prevention" of the Administrative Code of the Codified Ordinances of the City of Euclid to prohibit the awarding of contracts or assistance to individuals and entities who have engaged in wage theft or payroll fraud. (Sponsored by Council President Mancuso) Ord. (079-23)

Comment: This would create a Chapter re: Wage Theft and Payroll Fraud Prevention and prohibit the award of contracts to those who have violated same.

**COMMITTEE OF THE WHOLE – PUBLIC PORTION
COUNCIL MEMBERS' COMMENT
ADJOURNMENT**

Ordinance No.

By – Mayor Holzheimer Gail

An emergency ordinance authorizing the Fire Chief of the City of Euclid to enter into a Fire Apparatus Maintenance Services Agreement with the Sutphen Corporation, 6540 Eiterman Road, Dublin, Ohio 43016, for onsite routine service work, preventative maintenance and repairs to the City of Euclid's fire apparatus for a period of 26 weeks.

WHEREAS, the Euclid Fire Department has been experiencing mechanical, electrical and pumping breakdowns of fire apparatus that have resulted in prolonged periods where fire engines are out of service for repairs despite efforts of the city's Motor Maintenance Department; and

WHEREAS, Sutphen will provide at least one (1) factory certified service repair technician at least one (1) day each consecutive week; and

WHEREAS, the cost for routine service work and repairs will be \$140.00 per hour and preventative maintenance work will be \$1,350.00 per fire apparatus for the chassis, \$645.00 per fire apparatus for the pump, and \$1400.00 per fire apparatus for the aerial ladder and parts necessary for repairs would be discounted 10% except for proprietary parts; and

NOW, THEREFORE, be it ordained by the Council of the City of Euclid, State of Ohio:

Section 1: The Fire Chief of the City of Euclid is authorized to enter into a Fire Apparatus Maintenance Services Agreement with the Sutphen Corporation, 6540 Eiterman Road, Dublin, Ohio 43016, for onsite routine service work, preventative maintenance and repairs to the City of Euclid's fire apparatus for a period of 26 weeks.

Section 2: Funds to pay for this expenditure are to be derived from the 220 Streets account.

Section 3: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4: That this ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, safety and welfare of the citizens of the City of Euclid, and provided it receives the two-thirds vote of all members of Council elected thereto, shall be in full force and effect from and after its passage and approval; otherwise to be in full force and effect from and after the earliest period allowed by law

Attest:

Clerk of Council

President of Council

Passed:

Mayor

Ordinance No.

By – Councilperson Wojtila (by request)

An ordinance authorizing the Director of Public Service to enter into an agreement with Air Force One, 9880 Sweet Valley Drive, Valley View, OH 44125, for the replacement of various HVAC and air handling equipment at the Lakefront Community Center not to exceed \$298,874.00 through OMNIA Partners purchasing organization.

WHEREAS, the HVAC and air handling equipment at the Lakefront Community Center are reaching the end of their useful life. The current HVAC and air handling equipment will be replaced with new, more efficient air handling equipment; and

WHEREAS, the City is a member of OMNIA Partners, Public Sector, which was established from the acquisition of leading cooperative purchasing organizations; and

WHEREAS, ensuring there is adequate fresh air circulation and filtration inside buildings can help reduce the concentration and risk of exposure to aerosols, and thus infection with COVID-19 according to the Centers for Disease Control (CDC). As of May 12, 2023, the CDC updated the minimum filter recommendation to Minimum Efficiency Reporting Value (MERV) 13 for central HVAC filters. All units within the proposed replacement are upgraded to accommodate MERV 13 filters.

NOW, THEREFORE, be it ordained by the Council of the City of Euclid, State of Ohio:

Section 1: That the Director of Public Service is hereby authorized to enter into a contract with Air Force One, 9880 Sweet Valley Drive, Valley View, OH 44125, for the purchase of the various HVAC and air handling equipment at the Lakefront Community Center in an amount not to exceed \$298,874.00.

Section 2: Funds to pay for this expenditure are to be derived from the American Rescue Plan Act Fund.

Section 3: That this purchase is made at pricing available through OMNIA Partners purchasing organization and is therefore exempt from the competitive bidding process.

Section 4: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this resolution were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 5: That this ordinance shall be in full force and effect from and after its passage and approval; otherwise to be in full force and effect from and after the earliest period allowed by law.

Attest:

Clerk of Council

President of Council

Passed:

Approved:

Effective:

Mayor

Ordinance No.

By – Planning and Zoning Commission

An ordinance authorizing the sale of Permanent Parcel Number 646-33-019, vacant land at 1571 E 219th Street, from the Euclid Land Bank, to Ayesn Properties, LTD for the amount of One Dollar (\$1.00) as authorized by Ordinance Nos. 98-2010 and 101-2011.

WHEREAS, Ordinance 98-2010, passed by Council on June 21, 2010, and amended by Ordinance 101-2011 on June 20, 2011, authorizes the sale of properties in the Euclid Land Bank for private use; and

WHEREAS, at its meeting on July 11, 2023, the Planning and Zoning Commission recommended approval of the sale of Permanent Parcel Number 646-33-019, vacant land, from the Euclid Land Bank, to Ayesn Properties, LTD for the amount of One Dollar (\$1.00); and

WHEREAS, Ayesn Properties, LTD owns the adjacent property, Permanent Parcel Number 646-33-022, and desires to purchase the 646-33-019 parcel for property expansion; and

WHEREAS, in accordance with the Euclid Land Bank Disposition Policies, lots under 5,000 square feet are required to be consolidated into the adjacent property as a term of the sale, and

WHEREAS, the consolidation of the parcels will discourage selling the lot separately in the future or allowing taxes to go unpaid on parcels where no economic use of the lot exists, and

WHEREAS, the consolidation plat of Permanent Parcel Number 646-33-022 and the 646-33-019 parcel is prepared and submitted to the City of Euclid prior to transfer and recording and must occur within six months from the passage of this ordinance; and

WHEREAS, in accordance with the Euclid Land Bank Disposition Policies, in approving the sales price the Planning and Zoning Commission concurred with the pricing policies adopted in Ordinance 101-2011, which warrant a price below the Cuyahoga County Auditor's market value;

NOW, THEREFORE, be it ordained by the Council of the City of Euclid, State of Ohio:

Section 1: That the sale of Permanent Parcel Number 646-33-019, vacant land at 1571 E 219th Street, from the Euclid Land Bank to Ayesn Properties, LLC for the amount of One Dollar (\$1.00) with the condition the consolidation plat of Permanent Parcel Number 646-33-022 and the 646-33-019 parcel is prepared and submitted to the City of Euclid prior to transfer and recording and must occur within six months from the passage of this ordinance as authorized by Ordinance Nos. 98-2010 and 101-2011 is hereby approved.

Section 2: That City Council approves the sales price adjustment below the Cuyahoga County Auditor's market value due to area market conditions and based on pricing policies adopted in Ordinance 98-2010 and amended by Ordinance 101-2011.

Section 3: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4: That this ordinance shall be in full force and effect from and after the earliest period allowed by law.

Attest:

Clerk of Council

President of Council

Passed:

Approved:

Effective:

Mayor

Ordinance No.

By – Planning and Zoning Commission

An ordinance authorizing the sale of Permanent Parcel Number 641-16-128, vacant land at 20150 Morris Avenue, from the Euclid Land Bank, to Deja Wilson for the amount of One Dollar (\$1.00) as authorized by Ordinance Nos. 98-2010 and 101-2011.

WHEREAS, Ordinance 98-2010, passed by Council on June 21, 2010, and amended by Ordinance 101-2011 on June 20, 2011, authorizes the sale of properties in the Euclid Land Bank for private use; and

WHEREAS, at its meeting on July 11, 2023, the Planning and Zoning Commission recommended approval of the sale of Permanent Parcel Number 641-16-128, vacant land, from the Euclid Land Bank, to Deja Wilson for the amount of One Dollar (\$1.00); and

WHEREAS, Deja Wilson owns the adjacent property, Permanent Parcel Number 641-16-129, and desires to purchase the 641-16-128 parcel for property expansion; and

WHEREAS, in accordance with the Euclid Land Bank Disposition Policies, lots under 5,000 square feet are required to be consolidated into the adjacent property as a term of the sale, and

WHEREAS, the consolidation of the parcels will discourage selling the lot separately in the future or allowing taxes to go unpaid on parcels where no economic use of the lot exists, and

WHEREAS, the consolidation plat of Permanent Parcel Number 641-16-129 and the 641-16-128 parcel is prepared and submitted to the City of Euclid prior to transfer and recording and must occur within six months from the passage of this ordinance; and

WHEREAS, in accordance with the Euclid Land Bank Disposition Policies, in approving the sales price the Planning and Zoning Commission concurred with the pricing policies adopted in Ordinance 101-2011, which warrant a price below the Cuyahoga County Auditor's market value;

NOW, THEREFORE, be it ordained by the Council of the City of Euclid, State of Ohio:

Section 1: That the sale of Permanent Parcel Number 641-16-128, vacant land at 20150 Morris Avenue, from the Euclid Land Bank to Deja Wilson for the amount of One Dollar (\$1.00) with the condition the consolidation plat of Permanent Parcel Number 641-16-129 and the 641-16-128 parcel is prepared and submitted to the City of Euclid prior to transfer and recording and must occur within six months from the passage of this ordinance as authorized by Ordinance Nos. 98-2010 and 101-2011 is hereby approved.

Section 2: That City Council approves the sales price adjustment below the Cuyahoga County Auditor's market value due to area market conditions and based on pricing policies adopted in Ordinance 98-2010 and amended by Ordinance 101-2011.

Section 3: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4: That this ordinance shall be in full force and effect from and after the earliest period allowed by law.

Attest:

Clerk of Council

President of Council

Passed:
Effective:

Approved:

Mayor

Ordinance No.

By – Planning and Zoning Commission

An ordinance authorizing the sale of Permanent Parcel Number 645-31-086, vacant land at 26901 Drakefield Avenue, from the Euclid Land Bank, to Elizabeth Carter for the amount of One Thousand Dollars (\$1,000.00) as authorized by Ordinance Nos. 98-2010 and 101-2011.

WHEREAS, Ordinance 98-2010, passed by Council on June 21, 2010, and amended by Ordinance 101-2011 on June 20, 2011, authorizes the sale of properties in the Euclid Land Bank for private use; and

WHEREAS, at its meeting on July 11, 2023, the Planning and Zoning Commission recommended approval of the sale of Permanent Parcel Number 645-31-086, vacant land, from the Euclid Land Bank, to Elizabeth Carter for the amount of One Thousand Dollars (\$1,000.00); and

WHEREAS, Elizabeth Carter owns the adjacent property, Permanent Parcel Number 645-31-087, 26931 Drakefield Avenue, and desires to purchase the 645-31-086 parcel for property expansion; and

WHEREAS, in accordance with the Euclid Land Bank Disposition Policies, in approving the sales price the Planning and Zoning Commission concurred with the pricing policies adopted in Ordinance 101-2011, which warrant a price below the Cuyahoga County Auditor's market value;

NOW, THEREFORE, be it ordained by the Council of the City of Euclid, State of Ohio:

Section 1: That the sale of Permanent Parcel Number 645-31-086, vacant land at 26931 Drakefield Avenue, from the Euclid Land Bank to Elizabeth Carter for the amount of One Thousand Dollars (\$1,000.00) as authorized by Ordinance Nos. 98-2010 and 101-2011 is hereby approved.

Section 2: That City Council approves the sales price adjustment below the Cuyahoga County Auditor's market value due to area market conditions and based on pricing policies adopted in Ordinance 98-2010 and amended by Ordinance 101-2011.

Section 3: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4: That this ordinance shall be in full force and effect from and after the earliest period allowed by law.

Attest:

Clerk of Council

President of Council

Passed:

Approved:

Effective:

Mayor

Ordinance No.

By – Mayor Holzheimer Gail and Councilperson Jarosz

An emergency ordinance authorizing the sale of Permanent Parcel Number 641-15-004, vacant residential dwelling and property at 19600 Naumann Avenue, from the Euclid Land Bank to MAGAAS LLC, for the amount of Twenty Thousand Dollars (\$20,000.00) as authorized by Ordinance Nos. 98-2010 and 101-2011.

WHEREAS, Ordinance 98-2010, passed by Council on June 21, 2010, and amended by Ordinance 101-2011 on June 20, 2011, authorizes the sale of properties in the Euclid Land Bank for private use; and

WHEREAS, MAGAAS LLC desires to purchase the 641-15-004 parcel for renovation and bring into productive use as a single-family residential property; and

WHEREAS, as condition of the sale of the property, following completion of the renovations, MAGAAS LLC will be required to the sell the property to an owner-occupant; and

WHEREAS, in accordance with the Euclid Land Bank Disposition Policies and given the current condition of the building as being vacant, open to the elements, and in need of significant renovations to make it weather-tight and habitable, the Department of Planning and Development concurred with the pricing policies adopted in Ordinance 98-2020 and amended by Ordinance 101-2011, which warrant a price below the appraised market value.

NOW, THEREFORE, be it ordained by the Council of the City of Euclid, State of Ohio:

Section 1: That the sale of Permanent Parcel Number 641-15-004, vacant residential dwelling and property at 19600 Naumann Avenue, from the Euclid Land Bank to MAGAAS LLC for the amount of Twenty Thousand Dollars (\$20,000.00) as authorized by Ordinance Nos. 98-2010 and 101-2011 is hereby approved and the Mayor is authorized to enter into a purchase and development agreement and execute any other required documents to this effect.

Section 2: That City Council approves the sales price adjustment below the appraised market value due to current condition of the building, the condition of the sale that MAGAAS LLC shall be required to sell the property to an owner-occupant, based on pricing policies adopted in Ordinance 98-2010 and amended by Ordinance 101-2011; due the cost of implementing required improvements bringing the building to current code while recognizing the value of getting this property back into productive tax producing use.

Section 3: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4: That this ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, safety, and welfare of the citizens of the City of Euclid, and provided it receives the two-thirds vote of all members of Council elected thereto, shall be in full force and effect from after it passage and approval; otherwise, to be in full force and effect from and after the earliest period allowed by law.

Attest:

Clerk of Council

President of Council

Passed:

Approved:

Mayor

1565 and 1571 East 219th Street
21933 Euclid Avenue
PPNs: 646-33-018 - 021
U8 to U4 District

(078-23)

Ordinance No.

By - Planning and Zoning Commission

An ordinance to amend Section 1 of Ordinance No. 2812, as amended, and the map and map designations, which map and map designations, as amended, form a part of Ordinance No. 2812, as it relates to and designates, U8 Office Building and U4 Neighborhood Retail and Services use districts relative to said property.

WHEREAS, public notice and hearings have been given in connection with the changing of U8 Office Building use district relative to the hereinafter described property as is established by Ordinance No. 2812, as passed by the Council of the Village of Euclid on the 13th day of December, 1922, which ordinance has from time to time been amended; and

WHEREAS, the U4 Neighborhood Retail and Services use district is intended to provide sites for retail and service uses that typically serve a limited neighborhood area, or other retail uses that serve a more general market area but which can successfully operate in proximity to residential neighborhoods. Permitted uses are those that satisfy the types of basic shopping and service needs that occur frequently and that benefit from being located close to residential areas; and

WHEREAS, the amendment of said Ordinance No. 2812, which pertains to the hereinafter described property, by transferring said property from U8 Office Building use district to U4 Neighborhood Retail and Services use district, has been referred to the City Planning and Zoning Commission; and

WHEREAS, the City Planning and Zoning Commission has considered such amendment and proposed change at its regularly scheduled meeting on July 11, 2023, which will add to the present U4 use district by inclusion of the property hereinafter described, and has recommended approval to Council; and

WHEREAS, in the interest of the general welfare of the City of Euclid and in order to promote the general advantage of public peace, safety, morals, convenience, and prosperity of the inhabitants of the City of Euclid, this Council is of the opinion that the U4 use district should be extended to include the property hereinafter described.

NOW, THEREFORE, be it ordained by the Council of the City of Euclid, State of Ohio:

Section 1: That the following property:

PARCEL #1:

Situated in the City of Euclid, in the County of Cuyahoga, and State of Ohio and known as being all but that part in the street of Sublot No. 73 in the Eastbourne Realty Company Subdivision of part of Tract No. 14, as shown by the recorded plat in Volume 63 of Maps, Page 22 of Cuyahoga County Records. Said Sublot has a frontage of 45 feet on Euclid Avenue, as appears by said plat; be the same more or less, but subject to all legal highways

Parcel Number: 646-33-020
Property Address: 21933 Euclid Avenue, Euclid, OH 44117

PARCEL #2:

Situated in the City of Euclid, in the County of Cuyahoga, and State of Ohio, and known as being all but that part in the street of Sublot No. 74 in the Eastbourne Realty Company Subdivision of part of Tract No. 14, as shown by the recorded plat in Volume 63 of Maps, Page 22 of Cuyahoga County Records. Said part of Sublot No. 74 has a frontage of 45 feet on Euclid Avenue; be the same more or less, but subject to all legal highways.

Parcel Number: 646-33-021
Property Address: 21933 Euclid Avenue, Euclid, OH 44117

PARCEL #3:

Situated in the City of Euclid, County of Cuyahoga and State of Ohio and known as being Sublot No. 72 in the Eastbourne Realty Co.'s Subdivision of part of Original Euclid Township Tract No. 14, as shown by the recorded plat in Volume 64 of Maps, Page 22 of Cuyahoga County Records, be the same more or less but subject to all legal highways.

Parcel Number: 646-33-019
Property Address 1571 E 219th Street, Euclid, OH 44117

PARCEL #4:

Situated in the City of Euclid, County of Cuyahoga and State of Ohio:

And known as being Sublot No. 71 in The Eastbourne Realty Company's Subdivision of part of Original Euclid Township Tract No. 14, as shown by the recorded plat of said subdivision in Volume 63 of Maps, Page 22 of Cuyahoga County Records. Said Sub-Lot No. 71 has a frontage of 40 feet on the Easterly side of Bell Avenue, now known as East 219th Street, and extends back 96 89/100 feet on the Southerly line, 98 38/100 feet to the Northerly line, and has a rear line of 40 03/100 feet, subject to all legal highways.

Parcel Number: 646-33-018
Property Address: 1565 E 219th Street, Euclid, OH 44117

Section 2: That so much of Section 1 of Ordinance No. 2812, as amended, as relates to the U4 use district shall be extended to include the territory described in Section 1 hereinabove.

Section 3: That the map as adopted December 13, 1922 and as thereafter amended, is hereby amended to conform with the change of property described in Section 1 of the ordinance from U8 to U4 use district.

Section 4: That so much of Ordinance No. 2812, as amended, and the map and map designations as placed the above described property in U8 use district, is hereby repealed.

Section 5: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 6: That this ordinance shall be in full force and effect from and after the earliest period allowed by law.

Attest:

Clerk of Council

President of Council

Passed:

Approved:

Effective:

Mayor

Ordinance No.

By- Council President Mancuso

An ordinance enacting Chapter 111 "Wage Theft and Payroll Fraud Prevention" of the Administrative Code of the Codified Ordinances of the City of Euclid to prohibit the awarding of contracts or assistance to individuals and entities who have engaged in wage theft or payroll fraud.

WHEREAS, wage theft is defined as any violation of state or federal law regarding the prompt payment of wages, payment of minimum wage, or prevailing wage rates; and

WHEREAS, payroll fraud is defined as the concealment of a business's true tax liability by not reporting or underreporting applicable wages or by paying employees under-the-table.

WHEREAS, according to the Economic Policy Institute, approximately 217,000 Ohioans are victims of wage theft from minimum wage non-payment each year, and typically costs each victim \$2,800 in a work year; and

WHEREAS, the Ohio Attorney General estimates that as many as 459,000 Ohio workers may be misclassified each year, costing the state \$180 million in foregone income taxes; and

WHEREAS, wage theft has more of an impact on low-wage workers in Cuyahoga County; and

WHEREAS, contracts should not be awarded nor should assistance be given to companies or individuals who have engaged in wage theft or payroll fraud.

NOW, THEREFORE, be it ordained by the Council of the City of Euclid, State of Ohio:

Section 1: That Chapter 111 "Wage Theft and Payroll Fraud Prevention" of the Administrative Code of the Codified Ordinances of the City of Euclid be and the same is hereby enacted to read as follows:

Chapter 111 WAGE THEFT AND PAYROLL FRAUD PREVENTION

111.01 Definitions

111.02 Disclosure of Adverse Determination; Effect

111.03 Monitoring Contracts; Adverse Determination List

111.04 Waiver

111.05 Community Education

111.06 Violations; Penalty

111.01 DEFINITIONS

For purposes of this section:

(a) (1) "Adverse Determination" means a final adjudication, not subject to appeal, by a court of competent jurisdiction, a final action by a state or federal governmental agency, or a final adjudication by an arbitrator or arbitral body of competent jurisdiction, including, but not limited to, an administrative merit determination, arbitration award or decision, civil judgment, or criminal conviction, that a Contractor, Subcontractor or recipient of Assistance has committed Wage Theft or Payroll Fraud. If the person or entity appeals or contests the final adjudication, final action, or final determination, the Adverse Determination becomes effective whenever that initial adjudication, action, or determination, in whole or in part, is affirmed on appeal or after the contest, or the appeal or contest is denied.

(2) A settlement agreement or other similar agreement entered into by a person or entity related to any allegations of Wage Theft or Payroll Fraud to resolve the matter prior to the issuance of an Adverse Determination or while an appeal is pending shall not constitute an Adverse Determination.

(3) Nothing in this section shall be construed to permit a collateral attack on the jurisdiction of a court, state or federal governmental agency, or an arbitrator or arbitral body to avoid being placed on the Adverse Determination List.

(b) "Adverse Determination List" means a list published by the Law Department and updated every month, of persons or entities that have received an Adverse Determination within the preceding three (3) years.

(c) "Applicable Department" means the City department administering Construction and Improvement Contracts or Service Contracts or the City department to which a person or entity applies for Assistance.

(d) "Assistance" means any form of City financial assistance, except for financial assistance provided for the development, rehabilitation or other means of providing residential housing, that is awarded, renegotiated or renewed after the effective date of this Ordinance. Assistance covered by this chapter includes but is not limited to: grants; economic development loans; tax credits, incentives and abatements; subsidies; and bonds. For purposes of determining coverage under this chapter, financial assistance shall be valued to the extent the recipient of the assistance derives a monetary benefit from the City. For instance, loans shall be considered Assistance only to the extent they are forgiven or discounted below the available market rate over the life of the loan. Tax credits, incentives and abatements shall be considered Assistance to the extent of the tax reduction realized by the recipient. For purposes of this chapter, Assistance does not include financial assistance which is received from another government or other entity with the City acting only as a conduit or fiscal agent for the funds, where the City exercises no control over the identity of any recipient or of the terms of the contract. Community Development Block Grant Funds are not considered conduit funds under this section and, to the extent they otherwise qualify, are included as Assistance and are covered by this chapter.

(e) "Contract" means any Construction or Improvement Contract and any Service Contract entered into pursuant to these Codified Ordinances.

(f) "Contractor" means any person or entity who enters into a Construction or Improvement Contract or Service Contract with the City.

(g) "Construction or Improvement Contract" means any contract entered into pursuant to Charter or Chapter 109 of the Euclid Codified Ordinances.

(h) "City" means the City of Euclid and all City departments, divisions and offices.

(i) "Payroll Fraud" means concealing an entity's true payroll tax liability or other financial liability to a government agency from government licensing, regulatory or taxing agencies through misclassification of employees, failure to report or underreported payment of wages, or executing a cash transaction while failing to maintain proper records of reporting and withholding.

(j) "Person or Entity" means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity recognized at law by the State of Ohio, and their successors, predecessors, affiliates, and assigns, who may employ individuals or enter into contracts with the City.

(k) "Recipient of Assistance" means:

- (1) Any Person or Entity who enters into one (1) or more Contracts with the City for Assistance;
- (2) Any Person or Entity that is a direct recipient of Assistance.

(l) "Service Contract" means any contract or subcontract between a person, business or corporation and the City of Euclid that primarily involves the furnishing of services to the City (as opposed to the purchase of goods), and shall be limited to the following categories of services: food service, waste management, automotive repair services, landscaping, towing contracts, building and maintenance services, clerical services, urban forestry, street maintenance and repair, and sidewalk maintenance and repair. This includes services performed on City-owned premises including the following City-owned locations: parking lots, municipal parks, recreational facilities, and City-owned buildings. Contracts that are primarily for the purchase of goods or other property are not considered Service Contracts for purposes of this chapter.

(m) "Subcontract" means any contract between a Contractor and a person or entity to assist in performance of a Contract; and a contract between a person receiving Assistance and a person or entity to support the project or matter for which the person is receiving Assistance.

(n) "Wage Theft" means a violation of the Ohio Prompt Pay Statute, RC 4113.15; the Ohio Minimum Fair Wage Standards Act, RC Chapter 4111; Oh. Const. Art. II, Sec. 34a; RC Chapters 4109 or 4115; RC 4113.17, 4113.18, 4113.52 or 4113.61; or a violation of any substantially equivalent federal or state law; as any of these laws may be amended or superseded.

111.02 Disclosure of Adverse Determination; Effect

(a) Any person or entity bidding on or making a proposal for a Construction or Improvement Contract or a Service Contract, or applying for Assistance, and any prospective Subcontractors, shall disclose any Adverse Determinations occurring within the previous three (3) years with bid documents or assistance application.

(b) A person or entity that has received an Adverse Determination within the previous three (3) years from the due date of a bid or proposal for a Construction or Improvement Contract or Service Contract, or application for

Assistance, shall not be eligible to enter into any Contract, or an application for Assistance, or a Subcontract, for three (3) years from the date of the last Adverse Determination, unless the person or entity receives a waiver pursuant to Section 111.04.

111.03 Monitoring Contracts; Adverse Determination List

(a) Any person employed on a Contract or Subcontract, who alleges that a violation of federal or state law relating to Wage Theft or Payroll Fraud has occurred, may file a written complaint with the Director of the Applicable Department within one hundred and eighty (180) days of the alleged violation or knowledge of the alleged violation. The complaint shall be a statement with the name and address of the person making the charge, the name and address of the employer alleged to have committed the violation of federal or state law, and any other information as may be required by the Director of the Applicable Department.

(b) The Law Department shall create and maintain a list of persons or entities that have reported Adverse Determinations pursuant to Section 111.02, the Adverse Determination List. The Law Department shall cause the list to be published on the City website and updated every month.

111.04 Waiver

(a) An Applicable Department may request a waiver from the Law Department on behalf of a person or entity with an Adverse Determination that places the person or entity on the Adverse Determination List. The Law Department may grant the waiver if the Applicable Department demonstrates that the inability of the Applicable Department to contract with that person or entity would result in serious disruption to the efficient and orderly operations of the City or the person or entity is a sole source provider of goods or services that are necessary for the efficient and orderly operations of the City.

(b) A person or entity may request a waiver from the Law Department of an Adverse Determination that places that person or entity on the Adverse Determination List. The request shall be in writing and shall include one or more of the following reasons for granting the waiver:

(1) that there has been a bona fide change in ownership of the person or entity since the Adverse Determination;

(2) the person or entity has taken significant and verifiable actions to prevent any future Adverse Determinations and has complied with the requirements of the final adjudication, final action, or final determination placing that person or entity on the Adverse Determination List, including the payment of required back pay, interest penalties and fines; and

(3) any other information the person or entity deems relevant to granting the waiver, or that the Law Department wishes to consider.

(c) The Law Department may grant a waiver under division (b) of this section by removing the person or entity from the Adverse Determination List, reducing the time period a person or entity is on the Adverse Determination List, or allowing the person or entity a one-time waiver to enter into a Contract, Subcontract or to apply for Assistance.

111.05 Community Education

(a) The Law Department shall partner with employers, labor organizations and community groups to inform residents of their workplace rights under federal, state and local law, provide information to residents about available resources, and to communicate the benefits of this chapter to businesses, employees and community groups.

(b) The Law Department shall review the effectiveness of the wage theft and payroll fraud ordinance to ensure that those entities receiving public assistance, government loans, and contracts from the City are adhering to the ordinance. The Law Department shall make recommendations to the Council, when appropriate, regarding issues pertaining to the wage theft and payroll fraud policy.

111.06 Violations; Penalty

(a) No person shall willfully withhold the information required under Section 111.02.

(b) Any person who violates division (a) is guilty of a misdemeanor of the first degree.

Section 2: That Chapter 111 "Wage Theft and Payroll Fraud Prevention" of the Administrative Code of the Codified Ordinances of the City of Euclid is hereby enacted.

Section 3: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this Council, and that all deliberations of this

Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4: That this ordinance shall be in full force and effect from and after the earliest period allowed by law.

Attest:

Clerk of Council

President of Council

Passed:

Approved:

Effective:

Mayor